

## HC – Final Demand Must Not Exceed Amount Stated in Show Cause Notice Under Section 75(7)

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REFER THE DECISION OF THE HON'BLE MADRAS HIGH COURT IN THE CASE OF

**Tvl. Glo Shipping Logistics Pvt. Ltd. V/s State Tax Officer, decided on 26-3-2025.**

### Key Issues:

**Can Authorities Raise a Final Demand Higher Than the Amount stated in SCN?**

### The Hon'ble High Court Observation:

- Section 75(4) mandates that if an assessee requests a personal hearing, it must be granted before finalizing the demand.
- Section 75(7) mandates that the tax demand cannot exceed the amount proposed in the SCN.
- Natural justice requires a clear, reasoned SCN and fair opportunity to respond.
- The court reaffirmed that tax authorities are bound by procedural safeguards, especially when penalties or large financial demands are involved.

### The Hon'ble High Court Judgement:

The Madras High Court ruled in favour of the petitioner, quashing the final assessment order on grounds of violation of Sections 75(4) and/or 75(7) of the CGST Act.

The court may have:

- Set aside the assessment order, or
- Directed the officer to issue a fresh notice, after granting a personal hearing and staying within the SCN limits.

**Sections 73 of Central Goods and Services Tax Act, 2017**